ModernGraham Valuation

Company Name:

Avon Products, Inc.

Company Ticker AVP Date of Analysis

7/14/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1.	. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,749,252,815	Fail
2.	. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	Fail
3.	. Earnings Stability	Positive EPS for 10 years prior		Fail
4	. Dividend Record	Dividend Payments for 10 years prior		Pass
5.	. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-174.68%	Fail
6	. Moderate PEmg Ratio	PEmg < 20	-4.52	Fail
7.	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-2.02	Fail
Enterprising Investor; mu	ust pass 4 out of the following 5 tests, or be	e suitable for the Defensive Investor.		
1.	. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.38	Fail
2.	. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.55	Fail
3.	. Earnings Stability	Positive EPS for 5 years prior		Fail
4	. Dividend Record	Currently Pays Dividend		Pass
5	. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

-	EPSmg		-\$0.90
	MG Growth Estimate		-4.25%
	MG Value		\$0.00
	MG Value based on 3% Growth		-\$13.10
	MG Value based on 0% Growth		-\$7.68
	Market Implied Growth Rate		-6.51%
MG Opinion			
	Current Price		\$4.08
	% of Intrinsic Value	N/A	
	Opinion	Overvalued	
	MG Grade	D+	

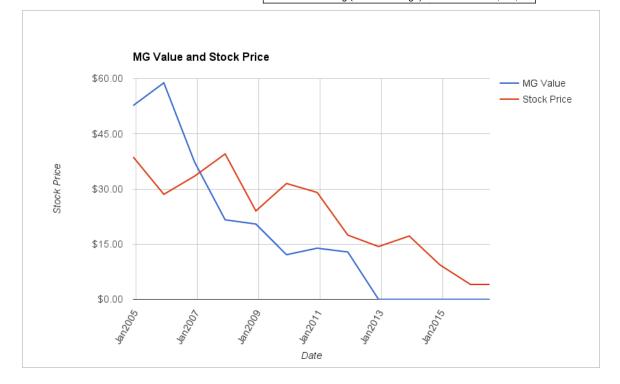
Stage 3: Information for Further Research

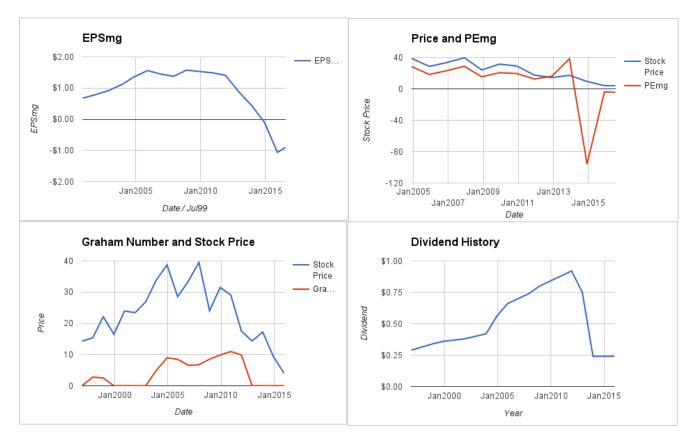
Net Current Asset Value (NCAV)	-\$5.27
Graham Number	\$0.00
PEmg	-4.52
Current Ratio	1.38
PB Ratio	-2.02
Current Dividend	\$0.24
Dividend Yield	5.88%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	* ****		* ••••
Estimate		Next Fiscal Year Estimate	-\$0.90
Dec2015	-\$2.60	Dec2015	-\$1.06
Dec2014	-\$0.88	Dec2014	-\$0.10
Dec2013	-\$0.13	Dec2013	\$0.45
Dec2012	-\$0.10	Dec2012	\$0.89
Dec2011	\$1.18	Dec2011	\$1.41
Dec2010	\$1.39	Dec2010	\$1.49
Dec2009	\$1.45	Dec2009	\$1.53
Dec2008	\$2.04	Dec2008	\$1.57
Dec2007	\$1.21	Dec2007	\$1.38
Dec2006	\$1.06	Dec2006	\$1.45
Dec2005	\$1.81	Dec2005	\$1.56
Dec2004	\$1.77	Dec2004	\$1.37
Dec2003	\$1.39	Dec2003	\$1.11
Dec2002	\$1.11	Dec2002	\$0.92
Dec2001	\$0.90	Dec2001	\$0.79
Dec2000	\$1.00	Dec2000	\$0.67
Dec1999	\$0.59	Balance Sheet Information	3/1/2016
Dec1998	\$0.51	Total Current Assets	\$2,209,700,000
Dec1997	\$0.64	Total Current Liabilities	\$1,605,100,000
Dec1996	\$0.00	Long-Term Debt	\$2,145,000,000
		Total Assets	\$3,629,100,000
		Intangible Assets	\$94,900,000
		Total Liabilities	\$4,507,900,000
		Shares Outstanding (Diluted Average)	435,900,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company	58 Companies in the Spotlight This Week – 1/31/15
	Avon Products Inc. Annual Valuation – 2015 \$AVP
	14 Companies in the Spotlight This Week - 1/11/14
	ModernGraham Valuation: Avon Products Inc. (AVP)

Other ModernGraham posts about related companies	Proctor & Gamble Co Valuation – July 2016 \$PG
	International Flavors & Fragrances Inc Valuation – June 2016 \$IFF
	Kimberly-Clark Corporation Valuation – June 2016 \$KMB
	Estee Lauder Companies Inc Valuation – May 2016 \$EL
	Colgate-Palmolive Co Valuation – January 2016 Update \$CL
	International Flavors & Fragrances Valuation – December 2015 Update \$IFF
	International Flavors & Fragrances Valuation – December 2015 Update \$IFF
	The Estee Lauder Company Valuation – October 2015 Update \$EL
	International Flavors & Fragrances Inc. Analysis – August 2015 Update \$IFF
	Estee Lauder Companies Analysis – August 2015 Update \$EL